

<i>SERFF Tracking Number:</i>	<i>BEAZ-125696020</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>BICI0059-AR(R)</i>		
<i>TOI:</i>	<i>17.0 Other Liability - Claims Made/Occurrence</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors &amp; Omissions Liability</i>
<i>Product Name:</i>	<i>MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy</i>		
<i>Project Name/Number:</i>	<i>/BICI0059-A(R)</i>		

## Filing at a Glance

Company: Beazley Insurance Company, Inc.		
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy	SERFF Tr Num: BEAZ-125696020	State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 17.0019 Professional Errors & Omissions Liability	Co Tr Num: BICI0059-AR(R)	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts
	Authors: Nancy Wilson, Renata Wright, Laura Maragnano, Evelyn Perran, Monique Herold	Disposition Date: 08/08/2008
	Date Submitted: 06/27/2008	Disposition Status: Approved
Effective Date Requested (New): On Approval		Effective Date (New):
Effective Date Requested (Renewal): On Approval		Effective Date (Renewal):
State Filing Description:		

## General Information

Project Name:	Status of Filing in Domicile:
Project Number: BICI0059-A(R)	Domicile Status Comments: filing currently being reviewed
Reference Organization: n/a	Reference Number: n/a
Reference Title: n/a	Advisory Org. Circular: n/a
Filing Status Changed: 08/08/2008	
State Status Changed: 07/15/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
Company Tracking Number: BICI0059-AR(R)  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Project Name/Number: /BICI0059-A(R)

See cover letter for filing information

## Company and Contact

### Filing Contact Information

Nancy Wilson, Sr. Compliance Analyst nancy.wilson@beazley.com  
30 Batterson Park Road (860) 677-3743 [Phone]  
Farmington, CT 06032 (860) 679-0247[FAX]

### Filing Company Information

Beazley Insurance Company, Inc. CoCode: 37540 State of Domicile: Connecticut  
30 Batterson Park Road Group Code: Company Type: Property and Casualty  
Farmington, CT 06032 Group Name: N/A State ID Number:  
(860) 677-3700 ext. [Phone] FEIN Number: 04-2656602  
-----

## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Beazley Insurance Company, Inc.	\$100.00	06/27/2008	21120816

SERFF Tracking Number: BEAZ-125696020 State: Arkansas

Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100

Company Tracking Number: BICI0059-AR(R)

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

Project Name/Number: /BICI0059-A(R)

## Correspondence Summary

### Dispositions

Status	Created By			Created On	Date Submitted	
Approved	Edith Roberts			08/08/2008	08/08/2008	
Objection Letters and Response Letters						
Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Edith Roberts	07/15/2008	07/15/2008	Renata Wright	08/05/2008	08/05/2008
Industry						
Response						

### Amendments

Item	Schedule	Created By	Created On	Date Submitted
actuarial memo	Supporting Document	Renata Wright	08/05/2008	08/05/2008

*SERFF Tracking Number:*      *BEAZ-125696020*      *State:*      *Arkansas*  
*Filing Company:*      *Beazley Insurance Company, Inc.*      *State Tracking Number:*      *EFT \$100*  
*Company Tracking Number:*      *BICI0059-AR(R)*  
*TOI:*      *17.0 Other Liability - Claims Made/Occurrence*      *Sub-TOI:*      *17.0019 Professional Errors & Omissions Liability*  
*Product Name:*      *MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy*  
*Project Name/Number:*      */BICI0059-A(R)*

## **Disposition**

Disposition Date: 08/08/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: BEAZ-125696020 State: Arkansas

Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100

Company Tracking Number: BICI0059-AR(R)

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

Project Name/Number: /BICI0059-A(R)

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	cover letter	Approved	Yes
Supporting Document (revised)	actuarial memo	Approved	Yes
Supporting Document	actuarial memo	Approved	Yes
Rate	MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan	Approved	Yes
Rate (revised)	Arkansas State Exception Page	Approved	Yes
Rate	Arkansas State Exception Page	Approved	Yes

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
Company Tracking Number: BICI0059-AR(R)  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Project Name/Number: /BICI0059-A(R)

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 07/15/2008  
Submitted Date 07/15/2008

Respond By Date

Dear Nancy Wilson,

This will acknowledge receipt of the captioned filing.

With reference to Page BIC-MP-RP-CW-1, Rule "F", you must include in this filing the rates for the optional Extended Reporting Period. Those rates must also comply with AR Code Anno. 23-79-306 (4).

All "a rated" risks and "refer to company" risks, must be submitted to the Department as an individual risk filing.

Please add the criteria that separates the different hazard groups.

With reference to the last page of your explanatory memorandum, you state general liability coverage may be added by endorsement. This coverage will have to meet all guidelines of GL coverage and may not contain defense within the limits of liability under any circumstances.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/05/2008  
Submitted Date 08/05/2008

Dear Edith Roberts,

**Comments:**

## Response 1

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
Company Tracking Number: BICI0059-AR(R)  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Project Name/Number: /BICI0059-A(R)

Comments: Dear Ms. Roberts:

Thank you for your review of our filing. In response to your concerns, we have amended our Arkansas State Exception Pages BIC-MP-RP-AR-1 to 2 (August 2008) to address the following:

1. Extended Reporting Period - revised to include premium amounts for ERP options.
2. Individual Risk Situations - added statement that in AR, an individual risk filing is required.
3. Removed the General Liability coverage section entirely from the rating plan. In addition, we wish to inform you that we hereby withdraw the corresponding endorsement to this General Liability coverage section - E00599 062008 ed. - General Liability Coverage including Fire Legal Liability. This endorsement was part of SERFF filing number BEAZ-125696019 which has already been approved by your DOI. Would you please re-open that filing and I will go ahead and complete the withdrawal of this form?

In regards to the criteria that separates the different hazard groups, please refer to tables on pages BIC-MP-RP-CW-4 & 5 of the Rating Plan which define the E&O Hazard Groups.

I hope these amendments / response will allow you to continue your review of our submission. Please feel free to contact me should you have any additional questions or concerns.

Your assistance is greatly appreciated.

Renata Wright  
Regulatory Paralegal

#### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas State Exception Page	BIC-MP-RP-AR1-2 (August 2008)	New	
<b>Previous Version</b>			
Arkansas State Exception	BIC-MP-RP-AR1-2 (June	New	

<i>SERFF Tracking Number:</i>	<i>BEAZ-125696020</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>BICI0059-AR(R)</i>		
<i>TOI:</i>	<i>17.0 Other Liability - Claims Made/Occurrence</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors &amp; Omissions Liability</i>
<i>Product Name:</i>	<i>MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy</i>		
<i>Project Name/Number:</i>	<i>/BICI0059-A(R)</i>		
<i>Page</i>	<i>2008)</i>		



State: Arkansas

*State Tracking Number:* *EFT \$100*

Company Tracking Number: BICI0059-AR(R)

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability

*Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy*

Project Name/Number: /BICI0059-A(R)

Sincerely,

Evelyn Perran, Laura Maragnano, Monique Herold, Nancy Wilson, Renata Wright

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
Company Tracking Number: BICI0059-AR(R)  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions  
Liability  
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Project Name/Number: /BICI0059-A(R)

**Amendment Letter**

Amendment Date:  
Submitted Date: 08/05/2008

**Comments:**

Hi Ms. Roberts:

Attached is a revised Rates/Rules Filing Memorandum. I have removed reference to General Liability coverage. Thank you for your help with this filing.

Renata Wright  
Regulatory Paralegal

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: actuarial memo**

Comment:  
AR Rate Memo rev.pdf

<i>SERFF Tracking Number:</i>	<i>BEAZ-125696020</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>BICI0059-AR(R)</i>		
<i>TOI:</i>	<i>17.0 Other Liability - Claims Made/Occurrence</i>	<i>Sub-TOI:</i>	<i>17.0019 Professional Errors &amp; Omissions Liability</i>
<i>Product Name:</i>	<i>MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy</i>		
<i>Project Name/Number:</i>	<i>/BICI0059-A(R)</i>		

## Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: BEAZ-125696020 State: Arkansas

Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100

Company Tracking Number: BICI0059-AR(R)

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

Project Name/Number: /BICI0059-A(R)

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan	BIC-MP-RP-CW-New 1-12 (June 2008 ed)		MPL Secure Rating Plan 2008 06.pdf
Approved	Arkansas State Exception Page	BIC-MP-RP- AR1-2 (August 2008)	New	AR MPL Secure - Exception Page 8-2008.pdf

## **Beazley Insurance Company, Inc.**

### **MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy**

## **COUNTRYWIDE RATING PLAN**

### **PART I – RATING RULES**

- A. Eligibility** – Companies meeting underwriting guidelines.
- B. Rates and Rating** - All rates in this manual are annual rates, unless otherwise noted. All factors are multiplicative, unless otherwise noted.
- C. Rate or Rating Factor Changes**  
Midterm premium changes are not to be made because of midterm changes in rates or rating factors unless, as respects the latter, there is a significant change in exposure based on:
1. Addition or deletion of entities;
  2. Merger, consolidation or purchase of assets of another business; or
  3. Other significant changes in operations that materially impact the exposure insured against.
- D. Additional Premiums**
1. Apply the rates and rules in effect on the effective date of the Policy or, if the change is made after an anniversary date of the Policy, apply the rates and rules in effect on that anniversary date.
  2. Pro rate additional premium charges.
  3. Additional premium charges are in addition to any Policy minimum premium already charged.
  4. Waive additional premiums of \$25 or less. The amount waived applies to that portion of the premium due on the effective date of the Policy change.
- E. Return Premiums**
1. Policy Cancellation or Deletion of an Insuring Agreement
    - A. Pro Rata Calculations
      - 1). Compute return premium pro rata of the charged premium and round to the next higher whole dollar when the cancellation or deletion is:
        - a. At the Company's request; or
        - b. After the first year of a prepaid Policy written for a term of more than one year.
    - B. Other than Pro Rata Calculation
      - 1). If pro rata calculation does not apply, compute return premium as follows:
        - a. Prepaid Policies  
Compute the return premium at .90 of the pro rata unearned premium and round to the next higher whole dollar.
        - b. Installment Payments  
Compute the return premium at .90 of the pro rata unearned premium for the year in which the Policy is canceled and round to the next higher whole dollar.
        - c. Other than Policy Cancellation or Deletion of an Insuring Agreement Compute return premium pro rata of the charged premium and round to the next higher whole dollar.
        - d. Waiver of Premium (not applicable in KS, NH, or VA)  
Waive return premium of \$25 (\$15 in IA) or less, however, the premium will be returned if requested in writing by the Insured.
- F. Extended Reporting Period (ERP)**  
Standard Extended Reporting Period length is twelve (12) months. State laws and regulations regarding minimum reporting periods must be followed. Premium for the Extended Reporting Period is "a" rated and made known to the Insured at Policy inception.

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

#### COUNTRYWIDE RATING PLAN

##### G. Premium Calculation

Pricing is calculated by applying modification factors to a base premium. The modification factors are determined by various criteria including the Limit of Liability and Deductible purchased, the coverage enhancements or restrictions negotiated with the insured, and the risk's financial characteristics. All modification factors are multiplicative, unless otherwise indicated.

##### H. Multi-Year Term Policies

The following factors are applied to annual premium for policies with terms running longer than 12 months.

<b>Multi-year/Multiple Annual Aggregates</b>	<b>Factor (applied to annual premium)</b>
Annual Installments (if multi-year, non-prepaid)	1.05
Two-Year Prepaid Premium	1.90
Three-Year Prepaid Premium	2.85

<b>Multi-year/Single Aggregate Limit</b>	<b>Factor (applied to annual premium)</b>
Two-Year Prepaid Premium	1.85
Three-Year Prepaid Premium	2.30

##### I. Individual Risk Situations (Not available in CA, MN, SD, TX and VA)

###### A. Refer to Company

###### 1. Rating or classifying

Refer to home office for rating or classifying any risk or exposure for which:

- The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk. Note: To the extent that consent-to-rate procedures apply, they must be followed.
- The coverage to be written is broader than that contained in the standard Policy. Note: To the extent that consent-to-rate procedures apply, they must be followed.
- There is proof that, for a specific coverage, the named risk is qualified in this state for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
- The risk develops \$50,000 (\$100,000 in FL or MT) or more annual manual basic limit premium individually or in combination with other products.

###### 2. Restriction of Coverage

Refer to home office if an insuring agreement providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class. Note: To the extent that consent-to-rate procedures apply, they must be followed.

###### B. File Maintenance

When a particular risk is modified in accordance with paragraph A., the Company will maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request.

Note: Rates shall not be inadequate, excessive or unfairly discriminatory.

###### C. State Exceptions

In AK, an individual risk filing to the Alaska Division of Insurance is required.

In GA, an individual risk filing to the Georgia Office of Insurance and Safety Fire Commissioner is required.

**Beazley Insurance Company, Inc.**

MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

**COUNTRYWIDE RATING PLAN**

In HI, an individual risk filing to the Hawaii Insurance Division is required.  
In IN, an individual risk filing to the Indiana Department of Insurance is required.  
In KS, an individual risk filing to the Kansas Insurance Department is required.  
In MS, an individual risk filing to the Mississippi Insurance Department is required.  
In NC, an individual risk filing to the North Carolina Department of Insurance is required.  
In NM, an individual risk filing to the New Mexico Department of Insurance is required.  
In NY, an individual risk filing to the New York Insurance Department is required.  
In SC, an individual risk filing to the South Carolina Dept. of Insurance is required.  
In WV, an individual risk filing to the West Virginia Insurance Commission is required.

## Beazley Insurance Company, Inc.

MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

### COUNTRYWIDE RATING PLAN

#### PART II – RATES AND RATING FACTORS

##### Step 1: Hazard Group Determination

Select the appropriate hazard group for the applicant based upon the services they provide. If the applicant provides more than one type of service then hazard group rates will be applied pro rata based on revenues to develop a composite hazard rate.

Hazard Group 1		
Answering Services	Energy Conservation Consultant	Paging Service
Barbers	Exhibition Designer	Personal Trainer
Beauticians	Health & Safety Lecturer	Photographic Studios
Charm School	Lighting Consultant	Resume Service
Cosmetologists	Market Research/Opinion Polling	Training Consultant
Court Reporters	Manicurists	Training Provider

Hazard Group 2		
Acoustic Consultant	Funeral Directors	Public Relations
Advertising Agents	Government Consultant	Publisher
Auctioneer	Graphic Designer	Recording Studio
Bail Bonds	Human Resources Consultant	Staffing Executive Recruiter
Broadcasters	Interior Designer (non-structural)	Talent Agents
Career Research/Guidance	Kennel/Pet Instruction	Tax Preparer
Cemetery	Landscape Architect	Temporary Staffing Services
Coin/Gem/Art Dealer	Management Consultant	Testing Service
Communications Consultant	Marketing Consultant	Ticket Broker
Computer Bureaus/Consultants	Mediator	Traffic Consultant
Education Consultant	Miscellaneous Planner	Translator/Interpreter
Employee Relations Consultant	Notary Public	Transportation Program Mgt
Entertainment	Payroll Service	Travel Agent
Film Editing	PR Consultant	Tutor
Fitness Instructor	Printing (non-financial)	Typing Service
Forester	Process Servers	

Hazard Group 3		
Benefit Administrator	Electrolysis	Premium Finance
Benefit Plan Consultant	Employment Agents	Printing (financial)
Business Consultant	Employee Leasing	Private Investigator
Business Support	Escort Service	Relocation Agent
Claim Adjusters	Escrow Agent	Social Service Agency
Claim Administrator	Expert Witness	St. Settlement Consultant
Collection Agency	Farm Manager	Tax Prep. Consultant
Composer/Lyricist	Mortgage Broker	Third Party Admin.
Credit Bureau	Nanny Service	Title Agents/Abstractors
Dating Service	Outsourcing	Trustee
Driving Instructor		



## Beazley Insurance Company, Inc.

MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

### COUNTRYWIDE RATING PLAN

Hazard Group 4		
Business Manager	Equipment Appraiser	Mapping Service
Consultant	Foreclosure Agent	Marine Title Agent/Surveyor
Contest Manager	Game Promoter	Media Representative
Day Care Center	Hotel Manager	Paralegal
Direct Mail Advertising	Incentive Plan Promoter	Quality Assurance Services
Direct Mail Service	Land Surveyor	Trainer
EEC Consultant	Lease Broker	

Hazard Group 5		
Accident Prevention	Dispatch Services	Managing General Agent
Acupuncture	Equipment Testing	Property Manager
Air Quality Consultant	Freight Forwarder	RE Agent (residential)
Alarm Monitoring	Home Health	Safety Inspector
Answering Svc ER	Insurance Agents	Security Consultant
Credit Reporting Bureau	Life Agent	Tanning Salon

Hazard Group 6		
Actuary	Financial Consultant	Real Estate Appraiser
Auditor	Franchiser	Real Estate Developer
Business Broker	RE Agent (commercial)	Syndicator
Services not listed in Groups 1-5		

#### Step 2: Base Premium Determination

The exposure base is gross revenues subject to current review. Find the base premium factor by utilizing the factors in the appropriate hazard group column. These factors are multiplied by the revenue tier. The products for each tier are then added together to yield the base premium.

Gross Revenues (in 000's)	Hazard Group					
	1	2	3	4	5	6
First 250	10.62	12.36	15.07	21.62	40.41	62.43
Next 250	3.05	3.95	4.86	7.02	14.13	20.61
Next 500	1.96	2.61	3.22	4.65	9.54	13.71
Next 2,000	1.08	1.49	1.84	2.66	5.60	7.89
Next 2,000	0.67	0.95	1.18	1.70	3.66	5.08
Next 5,000	0.45	0.65	0.81	1.18	2.58	3.54
Next 10,000	0.29	0.43	0.54	0.78	1.74	2.35
Next 15,000	0.20	0.30	0.37	0.54	1.23	1.64
Next 15,000	0.15	0.23	0.29	0.42	0.95	1.26
Next 50,000	0.11	0.16	0.21	0.30	0.70	0.91
Over 100,000	Refer to Home Office					

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

#### COUNTRYWIDE RATING PLAN

**Step 3: Loss Rating** – For purposes of Loss Rating a “claim” means any claim resulting in any payment by an insurer.

No claim activity or claim activity with little severity or frequency	0.65 – 0.99
Moderate claim activity	1.00
Frequent or severe claim activity	1.01 – 1.36

**Step 4: Professional Experience** – The average years of experience for all professionals.

Less than 3 years	<b>1.25</b>
3-6.99 years	<b>1.10</b>
7-9.99 years	<b>1.00</b>
10-20 years	<b>0.85</b>
Over 20 years	<b>0.70</b>

**Step 5: Longevity of Operations** – Determine the appropriate factor based upon the applicant’s years in business.

Less than 1 year (start-up)	<b>1.10</b>
1-2.99 years	<b>1.05</b>
3-9.99 years	<b>1.00</b>
10-20 years	<b>0.95</b>
Over 20 years	<b>0.85</b>

**Step 6: Use of Written Contract**

Percentage Used	Hazard Group		
	1 & 2	3 & 4	5 & 6
100%	0.90	0.85	0.90
75-99%	0.95	0.90	1.00
50-74%	0.95	1.00	1.15
25-49%	1.00	1.05	1.25
1-24%	1.00	1.10	1.30
0%	1.00	1.15	1.35

**Step 7: Average Revenue Size of Client**

Individual	0.90
Less than \$50 million	0.95
\$50-\$500 million	1.00
Over \$500 million	1.15

**Step 8: Risk Characteristics**

No unusual Characteristics	1.00
Any operations where there are unusual business characteristics which increase the exposure	1.10 to 3.00

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

#### COUNTRYWIDE RATING PLAN

##### Step 9: Prior Acts Factor

Select the appropriate factor based on the amount of prior acts.

No Prior Acts	1.00
One year or less	1.12
More than one year, up to two years	1.20
More than two years, up to three years	1.26
More than three years	1.35

##### Step 10: Deductible Factor

This rating plan credits or debits the applicant's premium based upon whether the Quoted Deductible is above or below a Guideline Deductible. So first, the Guideline Deductible is calculated as follows. The Minimum Policy Deductible is \$2,500.

##### Calculation of Guideline Deductible:

**Guideline Deductible = 0.2% x Gross Revenues**, Subject to the Minimum Policy Deductible

##### Comparison of Guideline Deductible to Quoted Deductible:

Then, the Guideline Deductible as calculated above (subject to Minimum Deductible) is compared to the Quoted Deductible, and the amount of the percentage credit or debit modifier (if any) is calculated as shown below. If calculated Guideline Deductible is less than Minimum Deductible as shown above, use the Minimum Deductible in place of Guideline Deductible in this next step:

Where Quoted Deductible is <b>less than</b> Guideline Deductible	
Ratio of Quoted/Guideline	Modifier
below 0.10	1.40
0.10	1.36
0.20	1.32
0.30	1.28
0.40	1.24
0.50	1.20
0.60	1.16
0.70	1.12
0.80	1.08
0.90	1.04
1.00	1.00

Where Quoted Deductible is <b>greater than</b> Guideline Deductible	
Ratio of Quoted/Guideline	Modifier
1.10	0.985
1.20	0.970
1.30	0.955
1.40	0.940
1.50	0.925
1.60	0.910
1.70	0.895
1.80	0.880
1.90	0.865
2.00	0.850
2.10	0.835
2.20	0.820
2.30	0.805
2.40	0.790
2.50	0.775
2.60	0.760
2.70	0.745
2.80	0.730
2.90	0.715
3.00 & up	0.700

Interpolation should be used to calculate the modifier for Quoted to Guideline ratios between the values shown in the table above.

June 2008

MPL Secure: Miscellaneous Professional and Network Security  
Liability Insurance Policy Rating Plan

BIC-MP-RP-CW-7

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

### COUNTRYWIDE RATING PLAN

#### Step 11: Scheduled Rating Modification

Other risk modifications may be applied to the rates subject, however, to a maximum credit or debit as set forth in the State Modification Limits table. A basic limits premium eligibility requirement applies in select states as follows: \$2,500 in NY, \$1,000 in WA, \$1,000 in FL (before and after the modification), and \$6,000 (after modification) in LA. These modifications take into consideration unusual circumstances in the characteristics in the following schedule:

	Range of Modification	
	Credits	Debits
Territory of Operations	15%	25%
Nature of Services	25%	25%
Use of Subcontractor	20%	20%
Financial Condition	25%	25%

#### State Modification Limits:

The table below shows the maximum available Schedule Rating credit/debits for each state.

-15/+15	-25/+25			-40/+25	-40/+40		-50/+50	NA <sup>1</sup>
NY <sup>2</sup>	AL	IA	NV	SC	AK	MT	IL	HI
GA	AZ	ID	OH		AR	NH	IN	NE
	CA	LA <sup>2</sup>	OR		KS	OK	KY	
	CO	MA	PR		MD	PA	NC	
	CT	MI	SD		ME	RI	NM <sup>3</sup>	
	DC	MO	UT		MN	TX	TN	
	DE	ND	WA		MS	WV	VA	
	FL	NJ					VT	
							WI	
							WY	

<sup>1</sup> NA = Schedule Rating is not available

<sup>2</sup> Characteristics capped at +/-10%.

<sup>3</sup> Professional liability, contract surety, and D&O coverage not subject to -25/+25 limit, per NMAC 13.8.5.8.F

#### Step 12: Modified Base Premium

Multiply the base premium determined in Step 2 by all the factors generated in Steps 3 through 11. The result is modified base premium subject to the following minimum premiums.

Minimum Modified Base Premium	Hazard Group					
	1	2	3	4	5	6
	\$1,000	\$1,000	\$2,000	\$3,000	\$6,000	\$10,000

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

### COUNTRYWIDE RATING PLAN

#### Step 13: Increased Limit Factor

- a. Select the appropriate factor based upon the proposed limit and the Hazard Group. Apply this factor as described in the next step.

	Hazard Group					
	HG1 & HG2			HG3		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$250,000	0.5000	0.5750		0.5500	0.6325	
\$500,000	0.7000	0.8050		0.7500	0.8625	
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.3000	1.4950		1.6000	1.8400	
\$3,000,000	1.5000	1.7250		1.9500	2.2425	
\$4,000,000	1.6400	1.8860		2.2000	2.5300	
\$5,000,000	1.7400	2.0010		2.3500	2.7025	
\$10,000,000	2.1300			2.9300		
\$15,000,000	2.4400			3.3700		
\$20,000,000	2.6800			3.7000		
\$25,000,000	2.8500			3.9800		

	Hazard Group					
	HG4 & HG5			HG6		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$250,000	0.6000	0.6900		0.6000	0.6900	
\$500,000	0.7500	0.8625		0.8000	0.9200	
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.7500	2.0125		1.9000	2.1850	
\$3,000,000	2.2000	2.5300		2.4000	2.7600	
\$4,000,000	2.5200	2.8980		2.8000	3.2200	
\$5,000,000	2.7500	3.1625		3.1000	3.5650	
\$10,000,000	3.6600			4.1000		
\$15,000,000	4.3600			4.9000		
\$20,000,000	4.9300			5.6000		
\$25,000,000	5.4000			6.2000		

- b. Interpolation is allowed as follows:
- Interpolation is permitted between vertically or horizontally adjacent cells within the same Hazard Group. For example, for a \$7M/\$7M limit, interpolate the ILFs for \$5M/1X and \$10M/1X limits. Similarly, for a \$2M/\$3M limit, interpolate the ILFs for \$2M/1X and \$2M/2X limits.
  - Refer to Company for desired limits that cannot be interpolated using the above rules.

**Beazley Insurance Company, Inc.**

**MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy**

**COUNTRYWIDE RATING PLAN**

**Step 14: Calculation of Final Premium**

Multiply the modified base premium determined in Step 12 by the Increased Limit Factor from Step 13. The resulting premium may be additionally adjusted upward or downward within the following ranges.

<b>Rated Premium</b>	<b>Maximum Round Up</b>	<b>Maximum Round Down</b>
Less than \$8,000	\$150	\$150
\$8,001 - \$25,000	\$250	\$250
\$25,001 - \$50,000	\$450	\$450
\$50,001 - \$100,000	\$750	\$750
\$100,001 - \$250,000	\$1,500	\$1,500
\$250,001 - \$500,000	\$2,500	\$2,500
More than \$500,000	\$5,500	\$5,500

The result is the Final Premium, subject to a Minimum Final Premium of \$500.

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

#### COUNTRYWIDE RATING PLAN

##### PART III – ENDORSEMENTS

The premium impacts for coverage enhancements 1 and 2 below are each determined individually and then added to the Final Premium calculated in Part II, Step 14.

**1. Additional Defense Limit:**

If an additional defense limit is elected, additional premium will be charged based on the percentage of the aggregate limit as follows:

<b>Additional Defense Limit % of Aggregate Limit</b>	<b>Premium Charge</b>
25%	6%
50%	12%
75%	17%
100%	20%

**2. General Liability Coverage:**

- a. If the insured elects General Liability coverage, select the appropriate premium charge from the table below. The rates below are per 1,000 square feet.

<b>General Liability Hazard Group</b>	<b>Premium Charge</b>
1	\$100
2	\$110
3	\$120

- b. For insureds with 5,000 or more square feet, apply a factor of 1.10 – 3.00 to the premium charge in the table above.
- c. The Minimum General Liability premium is \$250.
- d. The General Liability Hazard Groups are defined as follows:

<b>General Liability Hazard Group 1</b>		
Accident Prevention	Escrow Agent	Payroll Service
Acoustic Consultant	Exhibition Designer	PR Consultant
Actuary	Expert Witness	Premium Finance
Advertising Agents	Farm Manager	Printing (financial)
Air Quality Consultant	Film Editing	Printing (non-financial)
Alarm Monitoring	Financial Consultant	Private Investigator
Answering Services	Foreclosure Agent	Property Manager
Answering Svc ER	Forester	Public Relations
Auctioneer	Franchiser	Publisher
Auditor	Freight Forwarder	Quality Assurance Services
Benefit Administrator	Game Promoter	RE Agent (commercial)
Benefit Plan Consultant	Government Consultant	RE Agent (residential)
Broadcasters	Graphic Designer	Real Estate Appraiser

## Beazley Insurance Company, Inc.

MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy

### COUNTRYWIDE RATING PLAN

General Liability Hazard Group 1		
Business Broker	Health & Safety Lecturer	Real Estate Developer
Business Consultant	Home Health	Relocation Agent
Business Manager	Human Resources Consultant	Resume Service
Business Support	Incentive Plan Promoter	Safety Inspector
Career Research/Guidance	Insurance Agents	Security Consultant
Claim Adjusters	Interior Designer (non-structural)	Social Service Agency
Claim Administrator	Land Surveyor	St. Settlement Consultant
Communication Consultant	Landscape Architect	Staffing Executive Recruiter
Composer/Lyricist	Lease Broker	Syndicator
Computer Bureaus/Consultants	Life Agent	Talent Agents
Consultant	Lighting Consultant	Tax Prep. Consultant
Contest Manager	Management Consultant	Tax Preparer
Court Reporters	Managing General Agent	Temporary Staffing Services
Credit Bureau	Mapping Service	Testing Service
Credit Reporting Bureau	Marine Title Agent/Surveyor	Third Party Admin.
Direct Mail Advertising	Market Research/Opinion Polling	Ticket Broker
Direct Mail Service	Marketing Consultant	Title Agents/Abstractors
Dispatch Services	Media Representative	Traffic Consultant
Education Consultant	Mediator	Training Consultant
EEC Consultant	Miscellaneous Planner	Training Provider
Employee Leasing	Mortgage Broker	Translator/Interpreter
Employee Relations Consultant	Nanny Service	Transportation Program Mgt
Employment Agents	Notary Public	Trustee
Energy Conservation Consultant	Outsourcing	Tutor
Equipment Appraiser	Paging Service	Typing Service
Equipment Testing	Paralegal	

General Liability Hazard Group 2		
Bail Bonds	Driving Instructor	Manicurists
Barbers	Electrolysis	Personal Trainer
Beauticians	Entertainment	Photographic Studios
Charm School	Escort Service	Process Servers
Coin/Gem/Art Dealer	Fitness Instructor	Recording Studio
Collection Agency	Funeral Directors	Trainer
Cosmetologists	Hotel Manager	Travel Agent
Dating Service	Kennel/Pet Instruction	

General Liability Hazard Group 3		
Acupuncture	Day Care Center	Tanning Salon
Cemetery	Services not listed in Groups 1-2	



## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy State Exception Page

#### Arkansas

- I. Exceptions to **Part I - Rating Rules** of the MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan:

Rule F. is deleted in its entirety and replaced with the following:

**F. Extended Reporting Period (ERP)**

Standard Extended Reporting Period lengths are twelve (12), thirty-six (36) and sixty (60) months. The premium for each ERP duration is as follows:

ERP length	Percent of Expiring Annual Premium
12 months	100%
36 months	150%
60 months	200%

- I. **Individual Risk Situations** C. State Exceptions is amended to add the following:

In AR, an individual risk filing to the Arkansas Insurance Department is required.

- II. Exceptions to **Part II - Rates and Rating Factors** of the MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan:

Step 13. is deleted and replaced by the following:

**Step 13: Increased Limit Factor ("ILF")**

1. Provided that an insured purchases a separate limit of liability for Claims Expenses equal to 100% of the annual aggregate Limit of Liability for judgments or settlements, select the appropriate ILF based upon the proposed limit and the hazard group ("HG"). Apply this ILF as described in Step 14. The minimum limit available is \$1,000,000 each wrongful act and \$1,000,000 policy aggregate.

	Hazard Group					
	HG1 & HG2			HG3		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.3000	1.4950		1.6000	1.8400	
\$3,000,000	1.5000	1.7250		1.9500	2.2425	
\$4,000,000	1.6400	1.8860		2.2000	2.5300	
\$5,000,000	1.7400	2.0010		2.3500	2.7025	
\$10,000,000	2.1300			2.9300		
\$15,000,000	2.4400			3.3700		
\$20,000,000	2.6800			3.7000		
\$25,000,000	2.8500			3.9800		

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy State Exception Page

#### Arkansas

	Hazard Group					
	HG4 & HG5			HG6		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.7500	2.0125		1.9000	2.1850	
\$3,000,000	2.2000	2.5300		2.4000	2.7600	
\$4,000,000	2.5200	2.8980		2.8000	3.2200	
\$5,000,000	2.7500	3.1625		3.1000	3.5650	
\$10,000,000	3.6600			4.1000		
\$15,000,000	4.3600			4.9000		
\$20,000,000	4.9300			5.6000		
\$25,000,000	5.4000			6.2000		

2. Provided that an insured does not purchase a separate limit of liability for Claims Expenses equal to 100% of the annual aggregate Limit of Liability for judgments or settlements, select the appropriate ILF based upon the proposed limit and the hazard group (“HG”). Apply this ILF as described in Step 14. The minimum limit available is \$5,000,000 each wrongful act and \$5,000,000 policy aggregate.

	Hazard Group							
	HG1 & HG2		HG3		HG4 & HG5		HG6	
Per Claim Limit	Policy Limit							
	1X	2X	1X	2X	1X	2X	1X	2X
\$5,000,000	1.7400	2.0010	2.3500	2.7025	2.7500	3.1625	3.1000	3.5650
\$10,000,000	2.1300		2.9300		3.6600		4.1000	
\$15,000,000	2.4400		3.3700		4.3600		4.9000	
\$20,000,000	2.6800		3.7000		4.9300		5.6000	
\$25,000,000	2.8500		3.9800		5.4000		6.2000	

3. Interpolation of ILFs in items 1 and 2 above is allowed as follows.
- Interpolation is permitted between vertically or horizontally adjacent cells within the same Hazard Group. For example, for a \$7M/\$7M limit, interpolate the ILFs for \$5M/1X and \$10M/1X limits. Similarly, for a \$2M/\$3M limit, interpolate the ILFs for \$2M/1X and \$2M/2X limits.
  - Refer to Company for desired split limits that cannot be interpolated using the above rules.

### III. Exceptions to the **Part III - Endorsements** of the MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan:

2. General Liability Coverage is deleted in its entirety.

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
Company Tracking Number: BICI0059-AR(R)  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Project Name/Number: /BICI0059-A(R)

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 08/08/2008  
**Comments:**  
**Attachment:**  
AR Rate Transmittal Document.pdf

**Bypassed -Name:** NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Approved 08/08/2008  
**Bypass Reason:** independent rate filing  
**Comments:**

**Bypassed -Name:** NAIC loss cost data entry document **Review Status:** Approved 08/08/2008  
**Bypass Reason:** independent rate filing  
**Comments:**

**Satisfied -Name:** cover letter **Review Status:** Approved 08/08/2008  
**Comments:**  
**Attachment:**  
AR Letter Rates.pdf

**Satisfied -Name:** actuarial memo **Review Status:** Approved 08/08/2008  
**Comments:**  
**Attachment:**  
AR Rate Memo rev.pdf

## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>					<b>Group NAIC #</b>
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>	

<b>5. Company Tracking Number</b>	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>				

Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>				
<b>10. Sub-Type of Insurance (Sub-TOI)</b>				
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>				
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
<b>14. Effective Date(s) Requested</b>	New:		Renewal:	
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>				
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>				
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	
-----------	--	--

<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	
-----------	---	--

☐ Rate Increase      ☐ Rate Decrease      ☐ Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
-----------	--	--

<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
------------	---

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
------------	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

<b>5.</b>	<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>
-----------	--

		COMPANY USE	STATE USE
<b>5a</b>	<b>Overall percentage rate indication (when applicable)</b>		
<b>5b</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5c</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5d</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		

<b>6.</b>	<b>Overall percentage of last rate revision</b>	
-----------	---	--

<b>7.</b>	<b>Effective Date of last rate revision</b>	
-----------	---	--

<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
-----------	---	--

<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01		[ ] New [ ] Replacement [ ] Withdrawn	
02		[ ] New [ ] Replacement [ ] Withdrawn	
03		[ ] New [ ] Replacement [ ] Withdrawn	

June 27, 2008

Honorable Julie Benafield Bowman, Commissioner  
Arkansas Insurance Department  
1200 W 3<sup>rd</sup> Street  
Little Rock, AR 72201-1904

RE: Beazley Insurance Company, Inc.  
NAIC: Group Code: 0000  
Company Code: 37540  
FEIN: 04-2656602  
MPL Secure: Miscellaneous Professional and Network Security Liability  
Insurance Policy  
Our Filing No.: BICI0059-AR (R)  
Type of Filing: Rate

Dear Commissioner Bowman:

In accordance with the laws of your state, Beazley Insurance Company, Inc. is submitting this Rate filing to introduce our newly developed MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy.

Our new MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy will replace our currently approved Miscellaneous Professional Liability Insurance Program which was previously approved by your Department. This policy continues to provide Errors and Omissions coverage to a broad spectrum of commercial insureds that provide services to a third party.

We enclose our Countrywide Rating Plan and State Exception Pages for our MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy. The Rates/Rules Filing Memorandum that is also attached to this filing provides the detailed changes that were made to the approved Miscellaneous Professional Liability Insurance Program Rating Plan and summarizes the estimated impact that our newly developed Rating Plan will have on our existing policyholders.

The following documents are attached as part of this filing:

- Required State Forms (if applicable);
- Rates/Rules Filing Memorandum;
- Countrywide Rating Plan Pages BIC-MP-RP-CW-1-12 containing a June 2008 edition date; and
- Arkansas State Exception Page BIC-MP-RP-AR-1-2 containing a June 2008 edition date.

A corresponding Form filing was submitted to your department under our Filing No. BICI0059-AR (F).

We propose to implement this filing for all policies upon your earliest approval. Kindly contact me with any comments/questions or with documentation of the Department's approval of this filing.

Sincerely,

Renata A. Wright  
Senior Compliance Analyst  
Tel: 866-623-2953 or 860-677-3737  
Fax: 860-679-0247  
E-Mail: renata.wright@beazley.com  
Enclosures

Beazley Insurance  
Company, Inc.

30 Batterson Park Road  
Farmington, CT 06032  
USA

Phone (860) 677 3700  
Fax (860) 679 0247

info@beazley.com  
www.beazley.com

beazley



**Beazley Insurance Company, Inc.**

**MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Rates/Rules Filing Memorandum**

**Arkansas**

With this filing Beazley Insurance Company, Inc. ("Beazley") proposes minor changes and additions to the rules and rating factors of its currently approved Miscellaneous Professional Liability program ("MPL"). Beazley also proposes to re-name this program "MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy" ("MPL Secure").

**Estimated Premium Impact to Existing Policyholders**

To date, Beazley has written few policies in Arkansas under their current Miscellaneous Professional Liability program. As of June 2008, Beazley has 0 policies in-force, totaling \$0 of written premium in-force. The estimated statewide impact of the changes mentioned above is 0%. The largest decrease for any current policyholder is estimated to be 0%, and the largest increase is estimated to be 0%.

Since Beazley has written few policies, the limited changes to the rating factors were based on underwriting judgment. Further changes may be proposed when Beazley's program has generated sufficient experience to be statistically credible.

**Revised Hazard Group Assignments (Step #1 of the MPL Secure rating plan)**

The table below displays Beazley's proposed changes to the Hazard Group assignments for each profession in the MPL Secure rating plan. For each profession listed below, Beazley proposes to place insureds in a lower Hazard Group. This will result in a decrease to the insured's premium. In addition, Beazley has added two more professions: Security Consultant and Staffing Executive Recruiter.

	<b>Hazard Group Assignment</b>	
<b>Profession</b>	<b>Current</b>	<b>Proposed</b>
Acoustic Consultant	4	2
Business Consultant	4	3
Communication Consultant	4	2
Government Consultant	3	2
Graphic Designer	3	2
Human Resources Consultant	3	2
Management Consultant	3	2
PR Consultant	4	2
Security Consultant	N/A	5
Staffing Executive Recruiter	N/A	2
Temporary Staffing Services	3	2

Lower Minimum Modified Base Premiums (Step #12 of the MPL Secure rating plan)

Beazley proposes to revise the Minimum Modified Base Premiums for Hazard Groups as follows:

Hazard Group	Minimum Modified Base Premium	
	Current	Proposed
1	\$1,500	\$1,000
2	\$1,500	\$1,000
3	\$2,000	\$2,000
4	\$3,000	\$3,000
5	\$6,000	\$6,000
6	\$10,000	\$10,000

The effect of the above revisions will result in lower premiums for small insureds in Hazard Groups 1 and 2.

Other Revisions and Additions

Beazley also proposes the following changes and revisions:

- Beazley has added an optional Additional Defense Limit endorsement. (Part III, Section 1)
- Beazley has added Increased Limits Factors ("ILF") for additional limits (e.g., 1M/3M and 2M/4M). (Part II, Step 13). Beazley has not changed any of the ILFs submitted in the initial filing of this program.
- The rating factors for Multi-Year Term policies, which were previously filed as an addendum to the Miscellaneous Professional Liability rating plan, are now incorporated in Part I of the MPL Secure rating plan. (Part I, Rule H)

Beazley has also simplified the Loss Rating in this program. (Part II, Step 3)

SERFF Tracking Number: BEAZ-125696020 State: Arkansas  
 Filing Company: Beazley Insurance Company, Inc. State Tracking Number: EFT \$100  
 Company Tracking Number: BICI0059-AR(R)  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability  
 Product Name: MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
 Project Name/Number: /BICI0059-A(R)

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Rate and Rule	Arkansas State Exception Page	06/26/2008	AR MPL Secure - Exception Page 6-2008.pdf
No original date	Supporting Document	actuarial memo	06/26/2008	AR Rate Memo.pdf

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy State Exception Page

#### Arkansas

- I. I. Exceptions to the Part II, Rates and Rating Factors of the MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy Rating Plan:

Step 13. is deleted and replaced by the following:

#### Step 13: Increased Limit Factor ("ILF")

1. Provided that an insured purchases a separate limit of liability for Claims Expenses equal to 100% of the annual aggregate Limit of Liability for judgments or settlements, select the appropriate ILF based upon the proposed limit and the hazard group ("HG"). Apply this ILF as described in Step 14. The minimum limit available is \$1,000,000 each wrongful act and \$1,000,000 policy aggregate.

	Hazard Group					
	HG1 & HG2			HG3		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.3000	1.4950		1.6000	1.8400	
\$3,000,000	1.5000	1.7250		1.9500	2.2425	
\$4,000,000	1.6400	1.8860		2.2000	2.5300	
\$5,000,000	1.7400	2.0010		2.3500	2.7025	
\$10,000,000	2.1300			2.9300		
\$15,000,000	2.4400			3.3700		
\$20,000,000	2.6800			3.7000		
\$25,000,000	2.8500			3.9800		

	Hazard Group					
	HG4 & HG5			HG6		
Per Claim Limit	Policy Limit					
	1X	2X	3X	1X	2X	3X
\$1,000,000	1.0000	1.1500	1.2000	1.0000	1.1500	1.2000
\$2,000,000	1.7500	2.0125		1.9000	2.1850	
\$3,000,000	2.2000	2.5300		2.4000	2.7600	
\$4,000,000	2.5200	2.8980		2.8000	3.2200	
\$5,000,000	2.7500	3.1625		3.1000	3.5650	
\$10,000,000	3.6600			4.1000		
\$15,000,000	4.3600			4.9000		
\$20,000,000	4.9300			5.6000		
\$25,000,000	5.4000			6.2000		

## Beazley Insurance Company, Inc.

### MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy State Exception Page

#### Arkansas

2. Provided that an insured does not purchase a separate limit of liability for Claims Expenses equal to 100% of the annual aggregate Limit of Liability for judgments or settlements, select the appropriate ILF based upon the proposed limit and the hazard group ("HG"). Apply this ILF as described in Step 14. The minimum limit available is \$5,000,000 each wrongful act and \$5,000,000 policy aggregate.

	Hazard Group							
	HG1 & HG2		HG3		HG4 & HG5		HG6	
Per Claim Limit	Policy Limit							
	1X	2X	1X	2X	1X	2X	1X	2X
\$5,000,000	1.7400	2.0010	2.3500	2.7025	2.7500	3.1625	3.1000	3.5650
\$10,000,000	2.1300		2.9300		3.6600		4.1000	
\$15,000,000	2.4400		3.3700		4.3600		4.9000	
\$20,000,000	2.6800		3.7000		4.9300		5.6000	
\$25,000,000	2.8500		3.9800		5.4000		6.2000	

3. Interpolation of ILFs in items 1 and 2 above is allowed as follows.
- Interpolation is permitted between vertically or horizontally adjacent cells within the same Hazard Group. For example, for a \$7M/\$7M limit, interpolate the ILFs for \$5M/1X and \$10M/1X limits. Similarly, for a \$2M/\$3M limit, interpolate the ILFs for \$2M/1X and \$2M/2X limits.
  - Refer to Company for desired split limits that cannot be interpolated using the above rules.

**Beazley Insurance Company, Inc.**

**MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy  
Rates/Rules Filing Memorandum**

**Arkansas**

With this filing Beazley Insurance Company, Inc. ("Beazley") proposes minor changes and additions to the rules and rating factors of its currently approved Miscellaneous Professional Liability program ("MPL"). Beazley also proposes to re-name this program "MPL Secure: Miscellaneous Professional and Network Security Liability Insurance Policy" ("MPL Secure").

**Estimated Premium Impact to Existing Policyholders**

To date, Beazley has written few policies in Arkansas under their current Miscellaneous Professional Liability program. As of June 2008, Beazley has 0 policies in-force, totaling \$0 of written premium in-force. The estimated statewide impact of the changes mentioned above is 0%. The largest decrease for any current policyholder is estimated to be 0%, and the largest increase is estimated to be 0%.

Since Beazley has written few policies, the limited changes to the rating factors were based on underwriting judgment. Further changes may be proposed when Beazley's program has generated sufficient experience to be statistically credible.

**Revised Hazard Group Assignments (Step #1 of the MPL Secure rating plan)**

The table below displays Beazley's proposed changes to the Hazard Group assignments for each profession in the MPL Secure rating plan. For each profession listed below, Beazley proposes to place insureds in a lower Hazard Group. This will result in a decrease to the insured's premium. In addition, Beazley has added two more professions: Security Consultant and Staffing Executive Recruiter.

<b>Profession</b>	<b>Hazard Group Assignment</b>	
	<b>Current</b>	<b>Proposed</b>
Acoustic Consultant	4	2
Business Consultant	4	3
Communication Consultant	4	2
Government Consultant	3	2
Graphic Designer	3	2
Human Resources Consultant	3	2
Management Consultant	3	2
PR Consultant	4	2
Security Consultant	N/A	5
Staffing Executive Recruiter	N/A	2
Temporary Staffing Services	3	2

Lower Minimum Modified Base Premiums (Step #12 of the MPL Secure rating plan)

Beazley proposes to revise the Minimum Modified Base Premiums for Hazard Groups as follows:

Hazard Group	Minimum Modified Base Premium	
	Current	Proposed
1	\$1,500	\$1,000
2	\$1,500	\$1,000
3	\$2,000	\$2,000
4	\$3,000	\$3,000
5	\$6,000	\$6,000
6	\$10,000	\$10,000

The effect of the above revisions will result in lower premiums for small insureds in Hazard Groups 1 and 2.

Other Revisions and Additions

Beazley also proposes the following changes and revisions:

- Beazley has added an optional Additional Defense Limit endorsement. (Part III, Section 1)
- Beazley has added optional General Liability coverage which will be added by endorsement to the policy. (Part III, Section 2)
- Beazley has added Increased Limits Factors ("ILF") for additional limits (e.g., 1M/3M and 2M/4M). (Part II, Step 13). Beazley has not changed any of the ILFs submitted in the initial filing of this program.
- The rating factors for Multi-Year Term policies, which were previously filed as an addendum to the Miscellaneous Professional Liability rating plan, are now incorporated in Part I of the MPL Secure rating plan. (Part I, Rule H)

Beazley has also simplified the Loss Rating in this program. (Part II, Step 3)